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RESERVATOR SOFTERE

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Attorneys for Defendant/Third-Party Plaintiff
InterDent Service Corporation

IN THE UNITED STATES DISTRICT COURT

DISTRICT OF IDAHO

POCATELLO DENTAL GROUP, P.C., an Idaho professional corporation,

Plaintiff,

٧.

INTERDENT SERVICE CORPORATION, a Washington corporation,

Defendant.

INTERDENT SERVICE CORPORATION, a Washington corporation,

Third-Party Plaintiff,

V.

POCATELLO DENTAL GROUP, P.C., an

Case No. CV-03-450-E-LMB

AFFIDAVIT OF SCOTT J. KAPLAN IN OPPOSITION TO POCATELLO DENTAL GROUP'S MOTION FOR SANCTIONS

AFFIDAVIT OF SCOTT J. KAPLAN IN OPPOSITION TO POCATELLO DENTAL GROUP'S MOTION FOR SANCTIONS - $\boldsymbol{1}$

PortInd3-1497127.1 0021164-00081

Idaho professional corporation; DWIGHT G. ROMRIELL, individually; LARRY R. MISNER, JR., individually; GREGORY ROMRIELL, individually; ERROL ORMOND, individually; and ARNOLD GOODLIFFE, individually,

Third-Party Defendants.

STATE OF OREGON)
) ss.
County of Multnomah)

- I, Scott J. Kaplan, being first duly sworn, state as follows:
- 1. I am a member of Stoel Rives LLP, counsel for defendant/third-party plaintiff
 InterDent Service Corporation ("ISC") in this case.
- 2. Attached as Exhibit 1 is a copy of an email I sent counsel for the Pocatello Dental Group ("PDG") requesting that PDG withdraw its motion for sanctions as moot. PDG refused.
- Attached as Exhibit 2 is a copy of ISC's amended response to PDG's discovery requests, served only days after the Stipulated Protective Order was finally filed upon
 Mr. Hawks' agreement to sign one.
- 4. Attached as Exhibits 3 and 4 are copies of letters, the first from Darian Stanford on October 4, 2004 and from me on September 20, in which ISC advised PDG that responsive documents are available for their review in California.

//////
//////
//////
//////

 PDG has made no request to review such documents despite our repeated inquiries.

DATED: October 25, 2004.

Scott J. Kaplan

SUBSCRIBED AND SWORN to before me this 25 day of October, 2004.

Notary Public for Oregon

& Bricker

OFFICIAL SEAL

KATHERINE L. ERICKSON

NOTARY PUBLIC-OREGON

COMMISSION NO. 382297

MY COMMISSION EXPIRES JULY 7, 2008

CERTIFICATE OF SERVICE

I hereby certify that I served the foregoing AFFIDAVIT OF SCOTT J. KAPLAN IN OPPOSITION TO POCATELLO DENTAL GROUP'S MOTION FOR SANCTIONS on

the following named person(s) on the date indicated below:

Gary L. Cooper Ron Kerl COOPER & LARSEN 151 North Third Avenue, Suite 210 PO Box 4229 Pocatello, ID 83205-4229 Telephone: (208) 235-1145 Fax: (208) 235-1182	[✓] Via U.S. Mail [✓] Via Facsimile [] Via Overnight Mail [] Via Hand Delivery
Attorneys for Plaintiff/Third-Party Defendant Pocatello Dental Group, P.C.	
Lowell N. Hawkes LOWELL N. HAWKES, CHARTERED 1322 East Center Pocatello, ID 83201 Telephone: (208) 235-1600 Fax: (208) 235-4200 Attorney for Third-Party Defendants Dwight G. Romriell, Gregory Romriell, Errol Ormond and Arnold Goodliffe	[- Via U.S. Mail [- Via Facsimile [] Via Overnight Mail [] Via Hand Delivery
Richard A. Hearn Stephen J. Muhonen RACINE, OLSON, NYE, BUDGE & BAILEY, CHARTERED PO Box 1391/Center Plaza Pocatello, ID 83204-1391 Telephone: (208) 232-6101 Fax: (208) 232-6109 Attorneys for Third-Party Defendant Dr. Larry R. Misner, Jr., Dr. Ernest Sutton and Dr. Porter Sutton	 Via U.S. Mail Via Facsimile Via Overnight Mail Via Hand Delivery
DATED: October 25, 2004.	STOEL RIVES LLP

G. Rey Reinhardt,

Attorneys for Defendant/Third-Party Plaintiff InterDent Service Corporation

Kaplan, Scott

From:

Kaplan, Scott

Sent:

Monday, October 25, 2004 9:12 AM

To:

Ron Kerl (E-mail)

Cc:

Richard A. Hearn M.D. (E-mail); Lowell N. Hawkes (E-mail); Stanford, Darian; Reinhardt, G.

Rey

Subject:

PDG's (Moot) Motion for Sanction

Importance:

High

Counsel:

This motion would appear to be moot yet it has not been withdrawn. Amended interrogatory responses have been served. You have been notified that responsive documents are available for your review at ISC's California headquarters yet you have made no arrangements to review them. Under these circumstances, there can be no good faith or colorable basis for your refusal to withdraw the motion.

Please notify us by 12:00 noon MDT today, October 25, 2004 that the motion has been withdrawn. Please also be advised that this e-mail will be presented to the Court if the motion is not so withdrawn and ISC's fees and costs will be sought. We hope this will not be necessary.

Scott Kaplan Stoel Rives LLP (503)294-9186 fax (503)294-9843 sjkaplan@stoel.com Erik F. Stidham, ISB #5483
efstidham@stoel.com
G. Rey Reinhardt, ISB #6209
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Attorneys for Defendant/Third-Party Plaintiff
InterDent Service Corporation

IN THE UNITED STATES DISTRICT COURT

DISTRICT OF IDAHO

POCATELLO DENTAL GROUP, P.C., an Idaho professional corporation,

Plaintiff.

V.

INTERDENT SERVICE CORPORATION, a Washington corporation,

Defendant.

INTERDENT SERVICE CORPORATION, a Washington corporation,

Case No. CV-03-450-E-LMB

ISC'S AMENDED RESPONSE TO PLAINTIFF'S FIRST SET OF DISCOVERY REQUESTS

ISC'S AMENDED RESPONSE TO PLAINTIFF'S FIRST SET OF DISCOVERY REQUESTS-

Portlnd3-1492296.1 0021164-00081

Third-Party Plaintiff,

٧.

POCATELLO DENTAL GROUP, P.C., an Idaho professional corporation; DWIGHT G. ROMRIELL, individually; LARRY R. MISNER, JR., individually; PORTER SUTTON, individually; ERNEST SUTTON, individually; GREGORY ROMRIELL, individually; ERROL ORMOND, individually; and ARNOLD GOODLIFFE, individually.

Third-Party Defendants.

Defendant/third-party plaintiff InterDent Service Corporation ("ISC") responds as follows to Plaintiff's First Set of Discovery Requests (the "Requests") as follows.

GENERAL OBJECTIONS

- 1. ISC objects to each request for production to the extent it seeks documents in the possession and control of plaintiffs.
- 2. ISC objects to the disclosure of personal and private information and reserves the right to withhold and/or redact all such information.
- To the extent that the interrogatories seek information outside its custody or control, ISC objects to them as unreasonable and unduly burdensome.
- 4. In responding to the interrogatories, ISC does not waive and expressly reserves

 (a) any objections as to competency, relevancy, materiality, privilege or admissibility with

 respect to any of the information provided; (b) the right to object to other discovery procedures

 involving or related to the subject matter of the information provided; and (c) the right at any

 time to revise, correct, add to or clarify any of the information provided.

ISC'S AMENDED RESPONSE TO PLAINTIFF'S FIRST SET OF DISCOVERY REQUESTS -

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EXHIBIT & Page 2 of \$2.5

- 5. ISC objects generally to the Requests to the extent they seek work product, trial preparation materials or material protected by the attorney-client privilege. ISC does not intend to produce any information or documents that contain such materials and does not waive any objections to such information or documents that are inadvertently produced.
- 6. ISC objects to the production of documents or disclosure of information generated before the confirmation of ISC's Plan of Reorganization in October 2003 as not reasonably calculated to lead to the discovery of admissible evidence. Plaintiff concedes that ISC is entitled to partial summary judgment against plaintiff's claims for damages before October 3, 2003.
- 7. ISC objects that plaintiff's interrogatories include subparts. Plaintiffs have more than exceeded the number of interrogatories permitted by Fed. R. Civ. P. 33(a) and are precluded from propounding any additional interrogatories.
- 8. ISC objects to the discovery requests to the extent they call for disclosure of confidential business or proprietary information or confidential patient information protected by the Health Insurance Portability and Accountability Act ("HIPAA"). ISC will not produce documents until a protective order meeting the requirements of HIPAA governing the production and handling of such information is entered in this case.

Without waiving its general objections, ISC responds to the individual requests as follows:

RESPONSES TO INTERROGATORIES

INTERROGATORY NO. 1:

Identify any person with knowledge of the terms and conditions of any merger between Gentle Dental Management, Inc. and Gentle Dental Service Corporation.

ISC'S AMENDED RESPONSE TO PLAINTIFF'S FIRST SET OF DISCOVERY REQUESTS -

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RESPONSE: ISC expects that Mike Fiori and Ted Van Eerden are the most knowledgeable. They are not ISC employees.

INTERROGATORY NO. 2:

Identify any person with knowledge of any "2028" report or other list of dental patients who, at any time, were refused the right to obtain or continue to receive dental care from the Plaintiff or its dentists.

RESPONSE: Barbara Henderson, Bruce Call and the individual dentists who requested or approved such discontinuance of treatment at the Pocatello office.

INTERROGATORY NO. 3:

Describe any consideration paid by Gentle Dental Service Corporation to Gentle Dental or any other person or entity when it merged with Gentle Dental and acquired its contract rights, including those evidenced by the management agreement.

RESPONSE: ISC will produce or make available responsive documents to the extent such documents exist. Fed. R. Civ. P. 33(d).

INTERROGATORY NO. 4:

Describe any requests for new or additional equipment, supplies, or staff made to the Defendant by the Plaintiff or any of its dentists.

RESPONSE: ISC is unaware of any such request after October 3, 2003. For the period prior to October 3, 2003, ISC will produce or make available responsive documents in the form of (1) Capital Expenditure Reports and (2) Profit and Loss Statements. Fed. R. Civ. P. 33(d).

INTERROGATORY NO. 5:

Identify any person having knowledge of the facts stated in your answer to Interrogatory No. 4.

ISC'S AMENDED RESPONSE TO PLAINTIFF'S FIRST SET OF DISCOVERY REQUESTS -

4

Portind3-1492296.1 0021164-00081

EXHIBIT 2 Page 4 of 25 RESPONSE: ISC objects to this request to the extent that such information is obviously in plaintiff's possession. ISC further objects that the interrogatory is overbroad in calling for "any" person with knowledge. Without waiving its objections, ISC states: Bruce Call, Kevin Webb, Barbara Henderson, dentists employed by plaintiff.

INTERROGATORY NO. 6:

With respect to the period of time commencing on October 11, 1996 and continuing up through the date you answer these discovery requests, state the dollar amount of revenues, as that term is defined in paragraph 2.4 of the management agreement, which Defendant or its predecessors in interest have retained for their own use, rather than the payment of any obligations Defendant is required to pay under the Management Agreement.

RESPONSE: For the period after October 3, 2003, for expenses that ISC approved, ISC is not aware of an account due or overdue that is unpaid. For the period on or before October 3, 2003, ISC will produce or make available responsive documents in the form of (1) Capital Expenditure Reports and (2) Profit and Loss Statements. Fed. R. Civ. P. 33(d).

INTERROGATORY NO. 7:

Identify any person having knowledge of the facts stated in your answer to Interrogatory No. 6.

RESPONSE: Kevin Webb and Bruce Call are most knowledgeable on this subject.

INTERROGATORY NO. 8:

With respect to the period of time commencing on October 11, 1996 and continuing up through the date you answer these discovery requests, state the dollar amount of revenues, as that term is defined in paragraph 2.4 of the management agreement, which Defendant or its predecessors have collected, including any item identified as interest on Plaintiff's accounts receivable.

ISC'S AMENDED RESPONSE TO PLAINTIFF'S FIRST SET OF DISCOVERY REQUESTS -

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RESPONSE: ISC objects to this interrogatory as unduly burdensome, vague and assuming an erroneous legal conclusion ("Plaintiff's accounts receivable"). ISC further objects that under the Management Agreement, all of the revenues as defined in that Agreement belong to ISC. ISC further objects that plaintiff has conceded that ISC is entitled to partial summary judgment for any claims for damages before the confirmation of ISC's Plan of Reorganization on October 3, 2003. Without waiving its objections, ISC states that for the discoverable time period, after October 3, 2003, pursuant to Fed. R. Civ. P. 33(d), ISC will produce accounting records showing interest since October 3, 2003.

INTERROGATORY NO. 9:

Identify any person having knowledge of the facts stated in your answer to Interrogatory No. 8.

RESPONSE: ISC incorporates by reference its objections to Interrogatory No. 8. ISC further objects that Interrogatory No. 9 is overbroad in calling for ISC to name every person with knowledge. Without waiving its objections, ISC states that Barbara Henderson is most knowledgeable on this subject.

INTERROGATORY NO. 10:

Has the Defendant, since January 1, 2000, been sued by any other dental group with which it has a management contract or performs management services?

RESPONSE: To the best of ISC's knowledge, since January 1, 2000, ISC has not been sued by any other dental group with which it has a management contract or performs management services.

ISC'S AMENDED RESPONSE TO PLAINTIFF'S FIRST SET OF DISCOVERY REQUESTS -

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EXHIBIT 2 Page 6 of 25

INTERROGATORY NO. 11:

Identify any person having knowledge of the facts stated in your answer to Interrogatory No. 10.

RESPONSE: See response to Interrogatory No. 10.

INTERROGATORY NO. 12:

Identify the operational and accounting documents upon which you rely to establish your damage claim, as disclosed by you in your Initial Disclosures dated February 25, 2004.

RESPONSE: Pursuant to Fed. R. Civ. P. 33(d), ISC will produce or make available responsive business records, including but not limited to Profit and Loss Statements.

INTERROGATORY NO. 13:

Identify any of the documents related to the 1996 acquisition by GMS Dental Management, as disclosed by you in your Initial Disclosures dated February 25, 2004.

RESPONSE: ISC objects that the interrogatory is overbroad and seeks information neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence because plaintiff's stipulation in U.S. Bankruptcy Court that ISC would assume the Management Agreement precludes plaintiff from challenging the existence of ISC's rights under that Agreement. Without waiving its objections, pursuant to Fed. R. Civ. P. 33(d), ISC will produce the merger documents.

INTERROGATORY NO. 14:

Describe with specificity any alleged breach of the management agreement by Plaintiff, including but not limited to:

- a. The substance of such alleged breach;
- b. The date on which the alleged breach occurred; and

ISC'S AMENDED RESPONSE TO PLAINTIFF'S FIRST SET OF DISCOVERY REQUESTS -

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EXHIBIT 2

c. The damages you allege to have suffered as a result of the alleged breach[.]

RESPONSE: ISC objects that this interrogatory contains subparts and that therefore the number of plaintiff's interrogatories exceeds that permitted by Fed. R. Civ. P. 33(a). Without waiving its objections, ISC states that plaintiff materially breached the Management Agreement in various respects, including but not limited to:

- a. Plaintiff's failure to enforce its right to prevent its members and/or its employees from competing with, diverting revenue away from and/or otherwise damaging ISC. Since the fall of 2003, plaintiff has failed to enforce noncompete agreements with Dwight Romriell, Larry R. Misner, Jr. and Larry Bybee in violation of its duties to ISC. Plaintiff has conspired with them to take business from the practice.
- b. ISC is informed and believes that plaintiff has failed to pay, or make available, certain revenues owed to ISC; in particular, ISC is informed and believes that plaintiff has aided, abetted and conspired with Dwight Romriell in withholding sums belonging to the Pocatello practice, including but not limited to compromising sums due on accounts without ISC's approval.
- c. Plaintiff's material impairment of ISC's right to hire and terminate nonprofessionals under Article 3.8(b). Plaintiff obtained an ex parte temporary restraining order in October 2003 requiring ISC to maintain on staff five of Dwight Romriell's cronies for the few patients he was seeing.
- d. Plaintiff's material impairment of ISC's right to hire and terminate nonprofessionals under Article 4.4(b). Plaintiff obtained an ex parte temporary restraining order

ISC'S AMENDED RESPONSE TO PLAINTIFF'S FIRST SET OF DISCOVERY REQUESTS -

in October 2003 requiring ISC to maintain on staff five of Dwight Romriell's cronies for the few patients he was seeing.

- Plaintiff's purported execution of the 2003 Employment Agreement with Romriell in violation of Article 5.2(a). This occurred in August 2003.
- f. Plaintiff's purported execution of the 2003 Employment Agreement with Romriell in violation of Article 5.2(b). This occurred in August 2003.
- Plaintiff's use of goods and services provided by ISC under the Management Agreement for purposes other than the provision and management of dental services as contemplated by the Management Agreement and the purposes incidental thereto, in violation of Article 5.6. At about the time plaintiff began its pretextual litigation in Idaho state court and the time Dwight Romriell was setting up an office in Pocatello to compete with the practice, there was an unexplained increase in the use of supplies at the office. Romriell left the office with briefcases full of materials.
- h. Plaintiff's commission and allowance of acts that have materially impaired plaintiff's ability to carry on the business of the practice or to fulfill its obligations under the Management Agreement. These acts demonstrating "seller's remorse" are detailed in the Wintergreen report by the consultant hired by plaintiff to evaluate the practice (attached hereto as Exhibit 1). Plaintiff has further failed to enforce noncompete agreements with departing dentists and have stated publicly that the office will be closing, to the detriment of, at a minimum, employee morale. Plaintiff's failure to consider the profitability of the practice in any of its acts and omissions has resulted in a declining revenue and profit trend.

ISC'S AMENDED RESPONSE TO PLAINTIFF'S FIRST SET OF DISCOVERY REQUESTS -

i. Plaintiff's diversion of the mail from the practice in violation of Article 4 of the Management Agreement. This breach is detailed in the pleadings already on file in this case. The diversion of the mail in January 2004 was plaintiff's shareholders' second attempt to divert the mail. In the summer of 2003, Dwight Romriell tried a similar scheme but was caught before it was consummated.

INTERROGATORY NO. 15:

Provide a detailed itemization of the damages you are claiming in your counterclaim.

RESPONSE: Pursuant to Fed. R. Civ. P. 33(d), ISC will produce or make available responsive documents.

INTERROGATORY NO. 16:

Provide a detailed list of any new or used equipment you have purchased and placed upon the premises for the Plaintiffs or its dentists' use between January 1, 2000 and the date of your response to this interrogatory.

RESPONSE: Pursuant to Fed. R. Civ. P. 33(d), ISC will produce and/or make available responsive documents, including but not limited to Capital Expenditure Reports and Profit and Loss Statements.

INTERROGATORY NO. 17:

Provide a detailed list of any equipment located in the premises which you have replaced because it had fallen into disrepair and/or become obsolete between January 1, 2000 and the date of your response to this interrogatory.

RESPONSE: ISC will produce or make available responsive documents in the form of (1) Capital Expenditure Reports and (2) Profit and Loss Statements. Fed. R. Civ. P. 33(d).

ISC'S AMENDED RESPONSE TO PLAINTIFF'S FIRST SET OF DISCOVERY REQUESTS - $10\,$

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EXHIBIT <u>2</u> Page <u>/0</u> of <u>25</u>

INTERROGATORY NO. 18:

Identify all staff you have hired to work in the premises between January 1, 2000 and the date of your response to this interrogatory.

RESPONSE: ISC will produce or make available responsive documents. Fed. R. Civ. P. 33(d).

INTERROGATORY NO. 19:

With respect to each such staff member identified in your answer to Interrogatory No. 18, describe their training and experience at the time they were hired to work on the premises.

RESPONSE: ISC is producing training materials. Fed. R. Civ. P. 33(d).

INTERROGATORY NO. 20:

Identify all attorneys you have hired to represent the Plaintiff in any legal matter.

RESPONSE: ISC hired Stoel Rives in Boise (Kim Dockstader) for the case Wyatt Wood and Kendall Snow v. Pocatello Dental Group, Bannock County Idaho Case No. 01402C.

INTERROGATORY NO. 21:

Identify the amount and source of any payment for legal fees or costs you paid to any attorney or law firm identified in your answer to Interrogatory No. 20.

RESPONSE: ISC was the source, and the amount was approximately \$18,700.

INTERROGATORY NO. 22:

Describe the nature of the representation provided by any lawyer or law firm identified in your answer to Interrogatory No. 20[.]

RESPONSE: ISC will produce or make available responsive documents. Fed. R. Civ. P. 33(d).

ISC'S AMENDED RESPONSE TO PLAINTIFF'S FIRST SET OF DISCOVERY REQUESTS - 11

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RESPONSES TO REQUESTS FOR PRODUCTION

REQUEST FOR PRODUCTION NO. 1:

Produce the agenda for, and minutes of all JOC meetings for the three year period preceding the date you respond to this request.

RESPONSE: ISC will produce or make available responsive documents to the extent such documents exist.

REQUEST FOR PRODUCTION NO. 2:

Produce the monthly, quarterly and annual profit and loss statements generated by Defendant with respect to the Plaintiff's dental practice for the period beginning on October 11, 1996 and continuing up through the date you respond to these requests.

RESPONSE: ISC will produce or make available responsive documents to the extent they exist.

REQUEST FOR PRODUCTION NO. 3:

Produce any document which contains any of the terms and conditions of Gentle Dental Management, Inc.'s merger with Gentle Dental Service Corporation.

RESPONSE: ISC objects that this interrogatory is overbroad and seeks information neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence because plaintiff's stipulation in U.S. Bankruptcy Court that ISC would assume the Management Agreement precludes plaintiff from challenging the existence ISC's rights under that agreement. Without waiving its objections, ISC will produce the merger documents.

REQUEST FOR PRODUCTION NO. 4:

Produce any document which evidences Defendant's succession to, or ability to enforce the rights of GMS in and to the management agreement.

ISC'S AMENDED RESPONSE TO PLAINTIFF'S FIRST SET OF DISCOVERY REQUESTS - 12

Portlnd3-1492296.1 0021164-00081

EXHIBIT 2 Page 12 of 35 RESPONSE: ISC objects that this interrogatory is overbroad and seeks information neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence because plaintiff's stipulation in U.S. Bankruptcy Court that ISC would assume the Management Agreement precludes plaintiff from challenging the existence ISC's rights under that agreement. Without waiving its objections, ISC will produce the merger documents.

REQUEST FOR PRODUCTION NO. 5:

Produce the "2028" list or [sic] any other document prepared by the Defendant which identifies dental patients who, at any time, were not called back for dental care, or were refused, for any reason, the right to obtain or continue to receive dental care from the Plaintiff or its dentists.

RESPONSE: ISC will produce or make available responsive documents to the extent such documents exist.

REQUEST FOR PRODUCTION NO. 6:

Produce any document which evidences GMS's change of name to Gentle Dental Management, Inc.

RESPONSE: ISC objects that this interrogatory is overbroad and seeks information neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence because plaintiff's stipulation in U.S. Bankruptcy Court that ISC would assume the Management Agreement precludes plaintiff from challenging the existence ISC's rights under that agreement. ISC further objects that this request is unduly burdensome and oppressive in seeking "any document." Without waiving its objections, ISC will produce responsive documents.

ISC'S AMENDED RESPONSE TO PLAINTIFF'S FIRST SET OF DISCOVERY REQUESTS -

REQUEST FOR PRODUCTION NO. 7:

Produce any document which evidences Gentle Dental Service Corporation's change of name to InterDent Service Corporation.

RESPONSE: ISC objects that this interrogatory is overbroad and seeks information neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence because plaintiff's stipulation in U.S. Bankruptcy Court that ISC would assume the Management Agreement precludes plaintiff from challenging the existence of ISC's rights under that agreement. ISC further objects that this request is unduly burdensome and oppressive in seeking "any document." Without waiving its objections, ISC will produce responsive documents.

REQUEST FOR PRODUCTION NO. 8:

Produce any document which evidences Defendant's claim, as set out in paragraph 8 of the October 31, 2003 affidavit of Ivar Chhina, that the Plaintiff wrote off over \$76,000 in dentistry as "professional" or "courtesy" discounts in the first quarter of 2003.

RESPONSE: No such documents exist.

REQUEST FOR PRODUCTION NO. 9:

Produce any document which evidences Defendant's claim, as set out in paragraph 2 of the October 31, 2003 affidavit of Ivar Chhina, that Defendant or its predecessors in interest paid \$2.8 million in cash and stock to the shareholders of Plaintiff.

RESPONSE: ISC objects that this request calls for information in the possession of plaintiff and equally available to it. Without waiving its objections, ISC states that the relevant documents are already in the record in this case.

ISC'S AMENDED RESPONSE TO PLAINTIFF'S FIRST SET OF DISCOVERY REQUESTS - 14

Portlnd3-1492296.1 0021164-00081

REQUEST FOR PRODUCTION NO. 10:

Produce any document evidencing the Plaintiff or its dentists' request to the Defendant for equipment, supplies, staff or other support for their dental practice.

RESPONSE: ISC will produce or make available responsive documents to the extent such documents exist. See responses to Interrogatory Nos. 17-19.

REQUEST FOR PRODUCTION NO. 11:

Produce any document containing information identifying the name and address of any of the Plaintiffs, or of its dentists' patients for the period commencing on January 1, 2000 up through the date of your response to these discovery requests.

RESPONSE: Such documents are available to plaintiff in the Pocatello office. To the extent the request seeks "any document" merely "identifying" the name and address of patients, ISC object to the request as overly broad and unduly burdensome. Notwithstanding this objection, ISC will produce or make available any additional responsive documents to the extent such documents exist.

REQUEST FOR PRODUCTION NO. 12:

Produce any document containing Defendant's past and present policies or procedures relating to the billing and collection of patient accounts pursuant to the management agreement.

RESPONSE: ISC will produce or make available responsive documents to the extent such documents exist.

REQUEST FOR PRODUCTION NO. 13:

Produce any document containing information describing and/or quantifying any of the Plaintiff's revenues, including accounts receivable, for each month during the period commencing on October 11, 1996 and continuing through the date of your response to these discovery requests.

ISC'S AMENDED RESPONSE TO PLAINTIFF'S FIRST SET OF DISCOVERY REQUESTS -

RESPONSE: ISC will produce or make available responsive documents to the extent they exist.

REQUEST FOR PRODUCTION NO. 14:

Produce any document containing information describing and/or quantifying any of the Plaintiffs accounts payable or any other expense and liability of the Plaintiff for each month during the period commencing on October 11, 1996 up through the date of your response to these discovery requests.

RESPONSE: ISC will produce or make available responsive documents to the extent they exist.

REQUEST FOR PRODUCTION NO. 15:

Produce any document containing the agenda for, or minutes of any meeting of the Dental Advisory Board during the period commencing on January 1, 2000 up through the date of your response to these discovery requests.

RESPONSE: ISC will produce or make available responsive documents to the extent such documents exist.

REQUEST FOR PRODUCTION NO. 16:

Produce any document containing a description of any equipment, fixture, or furniture purchase or leasehold improvement relating to the premises during the period commencing on October 11, 1996 and continuing up through the date of your response to these discovery requests.

RESPONSE: ISC will produce or make available responsive documents to the extent they exist.

REQUEST FOR PRODUCTION NO. 17:

Produce any document reflecting any adjustments to any accounts receivable of the Plaintiff which were made by Defendant

ISC'S AMENDED RESPONSE TO PLAINTIFF'S FIRST SET OF DISCOVERY REQUESTS -

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during the period commencing on January 1, 2000 up through the date of your response to these discovery requests.

RESPONSE: ISC will produce or make available responsive documents to the extent they exist.

REQUEST FOR PRODUCTION NO. 18:

Produce any document reflecting any interest charged to, and/or collected by Defendant as a part of Plaintiff's revenues, including interest charged to Plaintiff's accounts receivable, during the period commencing on January 1, 2000 up through the date of your response to these discovery requests.

RESPONSE: In the Management Agreement, Plaintiff assigned the practice revenues to ISC. Therefore interest carned on the revenues, if any, belongs to ISC. Consequently, "Plaintiff's accounts receivable" mischaracterizes the record and lacks foundation. Without waiving this objection, ISC will produce or make available responsive documents to the extent such documents exist.

REQUEST FOR PRODUCTION NO. 19:

Produce any document consisting of the Defendant's state and federal income tax returns for the period commencing on October 11, 1996 up through the date of your response to these discovery requests.

RESPONSE: ISC will produce or make available responsive documents to the extent they relate to ISC's business in Idaho.

REQUEST FOR PRODUCTION NO. 20:

Produce any document which identifies and/or quantifies any vacation pay, paid time off, or other employee costs or benefits which you have charged back to or collected from the Plaintiff or its dentists during the period commencing on January 1, 2000 up through the date of your response to these discovery requests.

ISC'S AMENDED RESPONSE TO PLAINTIFF'S FIRST SET OF DISCOVERY REQUESTS -

RESPONSE: ISC objects that this request calls for the production of documents neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving its objections, ISC will produce responsive documents.

REQUEST FOR PRODUCTION NO. 21:

Produce any documents relating to the land lease at 4155 Yellowstone Ave, Pocatello, Idaho, including a copy of the lease and any amendments, renewals and any correspondence relating thereto.

RESPONSE: The Court eliminated this request.

REQUEST FOR PRODUCTION NO. 22:

Produce any documents relating to any training given to any employee of Defendant as it relates to their duties to be performed at the premises during the period commencing on October 11, 1996 up through the date of your response to these discovery requests.

RESPONSE: ISC will produce or make available responsive documents to the extent such documents exist.

REQUEST FOR PRODUCTION NO. 23:

Produce any documents containing information relating to any civil complaint or lawsuit prosecuted for or against the Plaintiff and for or against the Defendant, other than the instant action, during the period commencing on October 11, 1996 up through the date of your response to these discovery requests.

RESPONSE: ISC will produce or make available responsive documents to the extent such documents exist and are not privileged.

REQUEST FOR PRODUCTION NO. 24:

Produce any document containing Plaintiff's letterhead which has been authored and/or executed by any employee of Defendant.

ISC'S AMENDED RESPONSE TO PLAINTIFF'S FIRST SET OF DISCOVERY REQUESTS - 18

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EXHIBIT 2 Page / Yot 25 **RESPONSE:** ISC objects that this request calls for the production of documents neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence. ISC further objects that this request is propounded solely for the purpose of harassment and undue expense and calls for information in plaintiff's possession or equally available to plaintiff.

REQUEST FOR PRODUCTION NO. 25:

Produce any document which contains the terms or conditions of any employment agreement between the Defendant and any of its employees whose duties, in whole or in part, relate to Defendant's obligations under the management agreement.

RESPONSE: ISC will produce or make available responsive documents.

REQUEST FOR PRODUCTION NO. 26:

Produce any document which contains the terms or conditions of any employment agreement between the Defendant and any of its employees whose duties, in whole or in part, require them to work at the premises.

RESPONSE: Defendant has no responsive documents.

REQUEST FOR PRODUCTION NO. 27:

Produce any document which constitutes a "mail log" as ordered by Judge Lodge on February 9, 2004.

RESPONSE: ISC will produce responsive documents.

REOUEST FOR PRODUCTION NO. 28:

Produce any document evidencing any HIPPA [sic] violations on the part of the Plaintiff or its dentists.

RESPONSE: ISC objects that these documents are in the possession, custody or control of plaintiff and its current and former employees, in particular the patient files stolen from the

ISC'S AMENDED RESPONSE TO PLAINTIFF'S FIRST SET OF DISCOVERY REQUESTS -

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premises by Greg and Dwight Romriell. The removal of any files from the premises without written patient authorization constitutes a HIPAA violation.

REQUEST FOR PRODUCTION NO. 29:

Produce any document evidencing any contract between Plaintiff and any insurance carrier or governmental entity, or any of Plaintiff's dentists and any such third party.

RESPONSE: ISC objects that this request calls for the production of documents neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence. ISC further objects that this request is propounded solely for the purpose of harassment and undue expense. Without waiving its objections, ISC will produce responsive documents.

REQUEST FOR PRODUCTION NO. 30:

Produce any document which records the hours worked, or services performed by Holli Bauer and Elyse Harper for the period of their employment.

RESPONSE: ISC objects that this request calls for the production of documents neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving its objections, ISC will produce responsive documents.

REQUEST NO. 30 [sic]:

Produce any written or oral statement taken by you of any of the persons disclosed by you in your Initial Disclosures dated February 25, 2004, as having information related to this litigation.

RESPONSE: ISC objects that this request calls for information protected by the attorney-client and work-product privileges.

ISC'S AMENDED RESPONSE TO PLAINTIFF'S FIRST SET OF DISCOVERY REQUESTS -

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REQUEST FOR PRODUCTION NO. 31:

Produce any operational or accounting records related to Defendant's damage claim, as disclosed by you in your Initial Disclosures dated February 25, 2004.

RESPONSE: ISC will produce or make available responsive documents.

REQUEST FOR PRODUCTION NO. 32:

Produce any documents related to any authorization or approval from Plaintiff for you to employ any lawyer or law firm to represent the Plaintiff.

RESPONSE: ISC objects that this request calls for the production of documents neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence in that it is not limited in time to events after October 3, 2003. Without waiving its objections, ISC states that it has no responsive documents.

REQUEST FOR PRODUCTION NO. 33:

Produce any documents related to your claim that you paid \$2.8 Million in cash and stock to the Plaintiff's shareholders.

RESPONSE: Such documents are already in the record in this case.

REQUEST FOR PRODUCTION NO. 34:

Produce any document which identifies any person having custody or control of any of the Plaintiff or its dentists' patient records.

RESPONSE: ISC objects that this request is vague, ambiguous and unintelligible. To the extent it is intelligible, it calls for the production of documents neither relevant to this case nor reasonably calculated to lead to the discovery of admissible evidence.

ISC'S AMENDED RESPONSE TO PLAINTIFF'S FIRST SET OF DISCOVERY REQUESTS -

REQUESTS FOR ADMISSION

REQUEST FOR ADMISSION NO. 1:

Admit that prior to February 9, 2004, cash, revenues, and other forms of payment for the Plaintiff's dental related activities were not deposited to an account or accounts in the name of Plaintiff at a banking institution selected by Plaintiff and approved by Defendant.

RESPONSE: ISC objects that this request is neither relevant to this action nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving its objections, ISC states: admitted.

REQUEST FOR ADMISSION NO. 2:

Admit that Defendant, without the consent of the Plaintiff or its dentists, has (1) refused to recall some of Plaintiffs or its dentists' patients for treatment, and/or (2) denied such patients the opportunity to obtain or continue to receive dental care from the Plaintiff or its dentists.

RESPONSE: ISC objects that this request is compound, vague and ambiguous. Without waiving its objections, ISC states that it is unaware of any patient plaintiff requested to receive care who was denied. ISC will not supplement this response for information manufactured by plaintiff for the purpose of this litigation and/or to avoid summary judgment.

REQUEST FOR ADMISSION NO. 3:

Admit that some of those patients you have not recalled for dental care, and/or those patients you have denied the opportunity to obtain or continue to receive dental care from the Plaintiff or its dentists, have terminated their dentist/patient relationship with the Plaintiff and its dentists.

RESPONSE: ISC objects that this request assumes facts not in evidence and is argumentative.

ISC'S AMENDED RESPONSE TO PLAINTIFF'S FIRST SET OF DISCOVERY REQUESTS -22

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REQUEST FOR ADMISSION NO. 4:

Admit that Defendant did not pay \$2.8 million in cash and stock to the shareholders of Plaintiff, but that any such payment was made by Defendant's predecessor in interest, GMS.

RESPONSE: Plaintiff's stipulation in U.S. Bankruptcy Court that ISC would assume the Management Agreement precludes plaintiff from challenging the existence of ISC's rights as successor to GMS. Consequently, this request calls for information not relevant to this action nor reasonably calculated to lead to the discovery of admissible evidence.

REQUEST FOR ADMISSION NO. 5:

Admit that from time to time the Plaintiff or its dentists have requested you to obtain equipment, supplies, staff or other support for their dental practice.

RESPONSE: ISC objects that this request calls for information neither admissible in this action nor reasonably calculated to lead to the discovery of admissible evidence in that it is not limited in time to events after October 3, 2003. Without waiving its objections, ISC states: admitted.

REQUEST FOR ADMISSION NO. 6:

Admit that you have refused the Plaintiff and its dentists' requests for equipment, supplies, staff or other support for their dental practice without presenting the request to the JOC for consideration.

RESPONSE: ISC denies that it has failed to present matters to the JOC if such matters are within the JOC's jurisdiction.

REQUEST FOR ADMISSION NO. 7:

Admit that Defendant has not made timely payment of, or delivered to the Plaintiff revenues sufficient to timely pay and discharge Plaintiff's obligations and liabilities, including its

ISC'S AMENDED RESPONSE TO PLAINTIFF'S FIRST SET OF DISCOVERY REQUESTS - 23

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obligation to pay its attorney fees and costs incurred in responding to Defendant's chapter 11 bankruptcy proceeding and to the Defendant's counterclaim filed in this action.

RESPONSE: ISC objects that this request is argumentative and assumes facts not in evidence and makes legal conclusions. For the reasons stated in ISC's Opposition to Plaintiff's Motion for Attorneys' Fees and Costs, plaintiff is solely responsible for fees incurred in making and then abandoning a bankruptcy proceeding and for the pretextual and unsupported claims asserted by plaintiff in this litigation.

REQUEST FOR ADMISSION NO. 8:

Admit that during the period of time commencing on October 11, 1996 and continuing through the date you answer these discovery requests. Defendant has not distributed to Plaintiff or its dentists any revenues (as that term is defined in paragraph 2.4 of the management agreement) which Defendant or its predecessors have collected as interest on Plaintiff's revenues or accounts receivable.

RESPONSE: Denied. In the Management Agreement, Plaintiff assigned the practice revenues to ISC. Therefore, interest earned on the revenues, if any, belongs to ISC.

REQUEST FOR ADMISSION NO. 9:

Admit that you have hired lawyers to represent the Plaintiff without the Plaintiff's knowledge or consent.

RESPONSE: Denied.

REQUEST FOR ADMISSION NO. 10:

Admit that you have paid, from Plaintiff's revenues, the fees charged and costs incurred by lawyers you have hired to represent the Plaintiff.

RESPONSE: Denied. There has been no payment of money to lawyers from revenues to which Plaintiff is entitled.

ISC'S AMENDED RESPONSE TO PLAINTIFF'S FIRST SET OF DISCOVERY REQUESTS - 24

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REQUEST FOR ADMISSION NO. 10 [sic]:

Admit that your stock has no value.

RESPONSE: Denied.

DATED: October 1, 2004.

STOEL RIVES LLP

Erik F. Stidham, ISB #5483 G. Rey Reinhardt, ISB #6209 Scott J. Kaplan, pro hac vice Darian A. Stanford, pro hac vice

Attorneys for Defendant/Third-Party Plaintiff InterDent Service Corporation

VERIFICATION

I declare under penalty of perjury under the laws of Washington that the foregoing

Response to Plaintiff's First Set of Discovery Requests to the Defendant InterDent Service

Corporation is true and correct to the best of my knowledge, information and belief.

Name; Title:

Brude L. Call Regional Manager



900 S.W. Fifth Avenue, Suite 2600 Portland, Oregon 97204 main 503,224,3380 faz 503,220,2480 Anwastock.com

Darian A. Stanford Direct (503) 294-9567

dastanford@stoel.com

October 4, 2004

Mr. Ron Kerl Cooper & Larsen 151 North 3rd Avenue, Suite 210 PO Box 4229 Pocatello, ID 83205-4229

Re: Pocatello Dental Group v. InterDent Service Corporation, CV-03-450-E-LMB

Dear Ron:

This letter responds to yours of September 27. I agree that you are entitled to supplemented written responses to your discovery requests. I do not agree that you are entitled to supplemented responses as to "all" requests other than the two requests where Judge Boyle sustained ISC's objections. Instead, I believe you are only entitled to supplemented responses for the discovery requests specifically identified in Judge Boyle's order (p. 17). These supplemental responses are provided. I was waiting to send this until I could provide you with a formally certified copy, but given your motion to compel, I thought I should get you the uncertified version now. You will get the certified copy as soon as possible.

As I believe you have discussed with Scott Kaplan, additional responsive documents are available for your review in California whenever your client is ready to review them.

Please contact me if you have questions or to discuss these matters.

Very truly yours,

Darian A. Stanford

ec: Scott Kaplan

Oregon Washington

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titak Page 1 of 1



900 S.W. Fifth Avenue, Sulte 2600 Portland, Oregon 97204 main 503.224.3380 fax 503.220.2480 www.stocl.com

September 20, 2004

SCOTT J. KAPLAN Direct (503) 294-9186 sjkaplan@stocl.com

VIA FACSIMILE AND FIRST CLASS MAIL

Dr. Richard A. Hearn Mr. Stephen J. Muhonen Racine Olson Nye Budge & Bailey, Chartered PO Box 1391 201 East Center Pocatello, ID 83204-1391 Mr. Ron Kerl Cooper & Larsen 151 North 3rd Avenue, Suite 210 PO Box 4229 Pocatello, ID 83205-4229

Mr. Lowell N. Hawkes Lowell N. Hawkes, Chartered 1322 East Center Pocatello, ID 83201

Re: Pocatello Dental Group v. InterDent Service Corporation, etc., U.S. District Court (Idaho) Case No. CV-03-450-E-LMB

Dear Counsel:

Now that the protective order has finally been fully executed, ISC is in a position to produce the enclosed documents, number stamped I-PO 000055-192, I-PO 000055-370, and I-PO 001686-1713. However, as we discussed last week, until the protective order is actually entered by the Court, the production is only for your internal review. The documents should not be put into the record. While your agreement is sufficient for the confidential business documents, I do not believe that the HIPAA regulations permit the disclosure of documents containing patient information until the protective order is entered.

The production of tax returns and certain additional responsive documents are in progress. With regard to documents that are the backup for practice expenses and improvements (for example, invoices), as we discussed, these documents are at the ISC headquarters in El Segundo, California. The documents are not organized by office location but by check number. To locate the backup would require a search through approximately 500 boxes of documents. As I informed you, the P&L's provide a summary of these expenses and there is no reason to doubt their accuracy. However, the ISC document storage facility is open to you and you are welcome

Oregon Washington California Utah Las 2 Idaho

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Dr. Richard A. Hearn

Mr. Stephen J. Muhonen

Mr. Ron Kerl

Mr. Lowell N. Hawkes September 20, 2004

Page 2

to come to California to locate and review the backup documents if you so choose. Please let me know what you decide.

Please also let me know if you have any questions.

Very truly yours,

Scott J. Kaplan

SJK:jaw

Enclosures [W/FRST-CLASS MAILING]

Mr. Kevin Webb (VIA E-MAIL W/O ENCL)